

PUBLIC DISCLOSURE

AUGUST 9, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

ST. MARY'S CREDIT UNION

**293 BOSTON POST ROAD WEST
MARLBOROUGH, MA 01752**

**DIVISION OF BANKS
1000 WASHINGTON STREET
BOSTON, MA 02118**

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| <p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p> |
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **St. Mary's Credit Union (or the "Credit Union")**, prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated "High Satisfactory"

Based on the Intermediate Small Institution CRA evaluation procedures specified for institutions with assets under \$1 billion but over \$250 million (adjusted annually), St. Mary's Credit Union's overall CRA performance is considered good. The rating of this institution is established upon a review of the Lending Test and the Community Development Test, as shown in this public evaluation. The Credit Union achieved "High Satisfactory" performance under each of these tests. A summary of the Credit Union's performance is provided below.

Lending Test "High Satisfactory"

The Credit Union's net loan-to-share ratio for the previous eight quarters was 72.0 percent; this ratio is adequate given the Credit Union's size, financial condition, and the credit needs of its assessment area.

Lending activity within the Credit Union's assessment area is adequate with 66.5 percent of its originations reportable under the Home Mortgage Disclosure Act ("HMDA") within its assessment area.

The Credit Union demonstrates a good level of lending to members of different income levels. The Credit Union has outperformed the 2008 aggregate for low- and moderate-income individuals and ranked well when compared to its peers.

The geographic distribution of the Credit Union's HMDA reportable loans reflects a good dispersion throughout the assessment area. The Credit Union's performance in moderate-income census tracts well exceeds the 2008 aggregate and ranked well among its peers.

Fair lending policies and practices are considered good. No CRA related complaints have been received by the Credit Union since the prior examination.

Community Development Test "High Satisfactory"

The Credit Union's community development performance demonstrates a good responsiveness to the community development needs of its assessment area through its qualified donations and community development services and commitments.

PERFORMANCE CONTEXT

Description of Institution

St. Mary's Credit Union is a community credit union chartered by the Commonwealth of Massachusetts in 1913. The Credit Union's Administrative Offices/Loan Center is located at 293 Boston Post Road West in Marlborough Massachusetts. The Credit Union also operates five full service branches with three located in Marlborough, one in Northborough, and one in Hudson. Business hours are readily accessible to all members. All five branches have 24-hour Automated Teller Machine (ATMs) card access, and drive-up service. The Credit Union is a member of the SUM Network which is a surcharge free ATM network.

The Credit Union has not opened or closed any branch locations since the last examination. However, the Credit Union closed its one stand-alone ATM, located at Rohm & Hass, formerly the Shipley, at 455 Forest Street, Marlborough, Massachusetts.

The Credit Union was last examined for compliance with the CRA on May 7, 2007. That examination resulted in a CRA rating of Satisfactory. The Credit Union's assets have increased from \$518.3 million to \$573.2 million since the previous examination.

As of June 30, 2010, the Credit Union's asset size was \$573,255,390 with total loans of \$378,079,628 or 66.0 percent of total assets. The Credit Union's net loan to share ratio, as of the same date, was 74.3 percent. First mortgage loans and lines of credit represent the largest portion of loans with 53.8 percent followed by other real estate loans with 19.2 percent and used vehicle loans with 16.6 percent.

The following table provides additional details regarding the Credit Union's loan portfolio:

| St. Mary's Credit Union Loan Portfolio Distribution | | |
|---|-----------------------------------|--|
| Loan Type | Dollar Volume \$(000s) | Percentage (%) of Total Loans |
| All Other Unsecured Loans/Lines of Credit | 5,835,958 | 1.5 |
| New Vehicle Loans | 27,687,992 | 7.3 |
| Used Vehicle Loans | 62,611,334 | 16.6 |
| Total 1 st Mortgage Real Estate Loans/Line of Credit | 203,322,623 | 53.8 |
| Total Other Real Estate Loans/Lines of Credit | 72,421,601 | 19.2 |
| Total All Other Loans/Lines of Credit | 6,200,120 | 1.6 |
| Total | 378,079,628 | 100.0 |
| <i>Source: 5300 Report, Statement of Financial Condition as of June 30, 2010.</i> | | |

The Credit Union provides an array of financial services to its members, including: mortgage loans, new and used auto loans, home equity loans (lines and fixed rate/term), home improvement loans, mobile home loans, recreational vehicle loans, personal loans and overdraft protection. The Credit Union offers free checking accounts, savings accounts, money market accounts, certificates of deposit, IRA accounts and club accounts. Other services include: ATM/debit cards, virtual branch internet banking (www.stmaryscu.org), online bill payment, telephone banking, overdraft

protection and overdraft transfer. To further enhance member service the Credit Union offers overdraft privilege service, mobile banking and messenger e-mail and text alerts.

The Credit Union offers a variety of business banking services such as: business checking, business money market, commercial auto loans, commercial real estate-secured mortgages, business mortgage loans, secured/unsecured lines of credit, debt/credit business card and merchant card processing. Business electronic services, allows access to accounts for transfer of funds and management of a business online.

The Credit Union offers a first-time home buyer's program. This program offers a 7/1 adjustable rate mortgage that has a maximum term of 40 years with a \$265 discount on the closing costs. The maximum loan-to-value is 95% on single family homes and secondary market approved condominium units that are owner-occupied principle dwellings.

As a state chartered credit union, St. Mary's Credit Union is limited in its lending activities by restrictions imposed by Massachusetts General Laws, the National Credit Union Administration (NCUA), and by the institution's own by-laws. In March of 2001, the Credit Union received parity powers enabling it to participate in community development loan pools and investments. The Credit Union has received approval for updated Massachusetts parity enhancements for lending and other powers.

Description of Assessment Area

The CRA requires financial institutions to define an assessment area within which its performance will be evaluated. The Office of Management and Budget establishes Metropolitan Statistical Areas ("MSA"s) for statistical reporting purposes by federal agencies. The Credit Union's assessment area consists of the City of Marlborough and the Towns of Berlin, Framingham Hopkinton, Hudson, Northborough, Shrewsbury Southborough, Sudbury and Westborough.

The assessment area contains 41 census tracts. Of those tracts, 1 (2.5 percent) is low-income; 5 (12.2 percent) are moderate-income; 19 (46.3 percent) are middle-income; and 16 (39.0 percent) are upper-income.

The following data provides demographic and economic information pertaining to the Credit Union's assessment area: Housing information obtained from CRA WIZ, based on 2000 census data for the assessment area, indicated that there are 87,304 housing units, of which 66.6 percent are owner-occupied. The median home value in the Credit Union's assessment area is \$242,688. Refer to the following table for more information.

| Selected Housing Statistics by Income Category of the Geography* | | | | | | |
|---|--------------------|-------------------------|-----------------------|-------------------------|-----------------------|---------------------|
| Census Tract | Total Units | Total Households | Rental Units % | Owner Occupied % | Vacant Units % | Median Value |
| Low | 3,082 | 3,034 | 9.0 | 1.5 | 2.2 | \$144,800 |
| Moderate | 11,280 | 10,971 | 20.5 | 9.2 | 17.0 | \$173,732 |
| Middle | 38,609 | 37,651 | 50.0 | 41.0 | 45.8 | \$197,480 |
| Upper | 34,333 | 33,596 | 20.5 | 48.3 | 35.0 | \$290,074 |
| Total | 87,304 | 85,252 | 100.0 | 100.0 | 100.0 | \$242,688 |

*Source: PCI Corporation, CRA Wiz, 2000 US Census

According to information provided by The Warren Group, the current economic and market conditions have resulted in declining housing sales and real-estate values throughout the assessment area. Between 2005 and 2007, average prices declined from \$437,418 to \$416,425, or 4.8%. However, by 2010, prices declined to \$355,715, or 18.7 percent, from their peak level in 2005.

St. Mary's Credit Union's assessment area contains high tech, medical, educational and finance sectors of which the area has major businesses in all. Major employers in the area are Fidelity Investments, Intel, 3Comm, Sepracor and Boston Scientific.

Community Contact

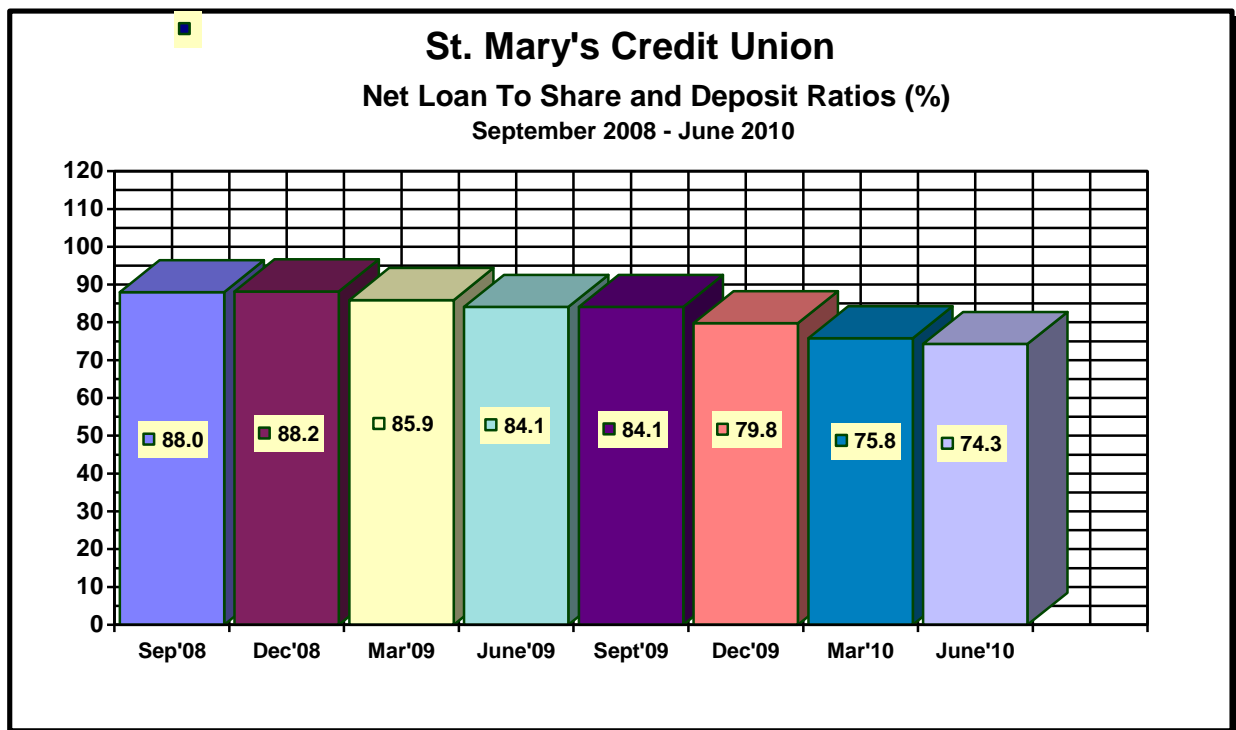
As part of the evaluation process, third parties active in community affairs are contacted to assist in assessing the general banking needs of the community. The information obtained helps to determine whether local financial institutions are responsive to the credit and service needs of the communities and what further opportunities, if any, are available. For purposes of this evaluation, one contact was made with a local housing agency whose primary purpose is to provide housing to low- and moderate-income individuals. The contact stated that because of the current economic climate, there is an increasing need for affordable housing so the agency has been purchasing, rehabilitating and re-reselling units as affordable units.

PERFORMANCE CRITERIA

LENDING TEST

1. LOAN TO SHARE ANALYSIS

A comparative analysis of the Credit Union's quarterly net loan-to-share ratios for the period of September 30, 2008 through June 30, 2010, was conducted during this examination. Using the Credit Union's quarterly Call Reports, the average net loan-to-share ratio for this period was 82.5 percent. This ratio is based on loans net of unearned income and net of the allowance for loan and lease losses as a percentage of total shares. The following graph is provided for further analysis:



As shown in the graph above, the Credit Union's net loan-to-share ratio has decreased steadily over the past eight quarters. This declining trend is a result of the Credit Union's share and deposit growth for the period under review (19.5%) significantly outpacing the loan growth (1.2%) for the same period.

Further contributing to the declining trend is the fact the Credit Union is selling loans in the secondary market. In 2009, the Credit Union sold 130 loans totaling \$27.5million and in 2008 the Credit Union sold 21 loans totaling \$4.5 million. Selling loans in the secondary market allowed the Credit Union to better manage interest rate risk.

The following table illustrates the net loan-to-share ratios of similarly situated financial institutions within and around the Credit Union's assessment area as of June 30, 2010 in comparison to the Credit Union.

| Net Loans-to-Deposit/Shares Ratios as of June 30, 2010 | | | |
|--|-----------------------|----------------------------|-----------------|
| Credit Union or Bank | Net Loans (\$000s) | Shares/Deposits (\$000) | % NLTS Ratio |
| Avidia Bank | 686,849 | 752,165 | 91.3 |
| Central One Federal Credit Union | 274,074 | 311,283 | 88.1 |
| St. Mary's Credit Union | 375,850 | 505,851 | 74.3 |
| Marlborough Savings Bank | 237,036 | 345,504 | 68.6 |

Based on the Credit Union's asset size, resources, and the credit needs of its members, the Credit Union's net loan-to-share ratio is considered good.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA(S)

This performance criterion measures the percentage of the Credit Union's lending that benefits the assessment area's residents and evaluates the adequacy of such lending. The following table shows the distribution of the Credit Union's lending inside and outside of its assessment area.

| Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area | | | | | | | | |
|---|--------|------|----------------------------|------|---------|------|-----------------------------|------|
| Year | Inside | | | | Outside | | | |
| | Number | | Dollar Amount \$('000s) | | Number | | Dollars Amount \$('000s) | |
| | # | % | \$ | % | # | % | \$ | % |
| 2008 | 132 | 67.0 | 19,248 | 60.0 | 65 | 33.0 | 12,703 | 40.0 |
| 2009 | 183 | 66.0 | 34,155 | 59.7 | 94 | 34.0 | 23,023 | 40.3 |
| Total | 315 | 66.5 | 53,403 | 59.9 | 159 | 33.5 | 35,726 | 40.1 |

Source: 2008/2009 HMDA Data

As indicated in the table above, a majority of the Credit Union's loans were originated inside the assessment area. Based on the above information, the Credit Union's lending inside its assessment area is considered reasonable.

3. DISTRIBUTION OF CREDIT AMONG BORROWERS OF DIFFERENT INCOME LEVELS

The Credit Union's HMDA reportable loans were further analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes for 2008 and 2009 were compared to the median family incomes for the Cambridge-Newton-Framingham MD, and Worcester MSA. The income figures are based on median family income derived from data collected during the Census for the respective MSA. The income figures are adjusted annually by the Department of Housing and Urban Development to allow for factors such as inflation. The median family incomes for the Cambridge-Newton-Framingham MD for 2008 and 2009 were \$93,000 and \$97,100 respectively. The median family incomes for the Worcester MSA for 2008 and 2009 were \$76,900 and \$79,700, respectively.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows loans originated and categorized by the applicants' reported income in relation to the median family income for the MSA in which the property is located. The following table also presents the Credit Union's HMDA reportable lending performance as well as the 2008 aggregate data (exclusive of St. Mary's Credit Union). The table also reflects the percentages of family households in each of the borrower income categories.

| Distribution of Home Mortgage Loans by Borrower Income | | | | | | | | |
|--|---------------------------|--------------------------------------|------------|--------------|------------|--------------|------------|--------------|
| Median Family Income Level | % Total Family Households | 2008 Aggregate Lending Data (% of #) | 2008 | | 2009 | | Total | |
| | | | # | % | # | % | # | % |
| Low | 15.5 | 4.9 | 16 | 12.1 | 21 | 11.5 | 37 | 11.8 |
| Moderate | 15.3 | 14.3 | 25 | 18.9 | 32 | 17.5 | 57 | 18.1 |
| Middle | 20.7 | 21.2 | 41 | 31.1 | 58 | 31.7 | 99 | 31.4 |
| Upper | 48.5 | 42.4 | 48 | 36.4 | 69 | 37.7 | 117 | 37.1 |
| NA | 0.0 | 17.2 | 2 | 1.5 | 3 | 1.6 | 5 | 1.6 |
| Total | 100.0 | 100.0 | 132 | 100.0 | 183 | 100.0 | 315 | 100.0 |

Source: 2000 U.S. Census, CRA Wiz HMDA Aggregate Data

During the period reviewed, the Credit Union extended 37 HMDA-reportable loans in the assessment area to low-income borrowers representing 11.8 percent of total originations and 57 loans to moderate-income borrowers representing 18.1 percent. The Credit Union's percentage of lending to low-income borrowers exceeded the aggregate's lending in 2008. The Credit Union also originated a higher percentage of loans to moderate-income borrowers in 2008 than the aggregate.

The Credit Union is ranked 6th in market share for lending to low-income individuals, and ranked 12th in market share for lending to moderate-income individuals. It should be noted that all the financial institutions that outranked the Credit Union were national banks or nationwide mortgage companies. The Credit Union's performance in lending to borrowers of different incomes, especially to those of low- and moderate-income reflects a good performance.

4. GEOGRAPHIC DISTRIBUTION

The Credit Union's lending activity within its assessment area was reviewed in order to determine the distribution of lending among the various Census tracts. As mentioned previously, the Credit Union's assessment area contains 41 Census tracts of which 1 is low-income, 5 are moderate-income, 19 are middle-income, and 16 are upper-income.

The following table presents the Credit Union's HMDA-reportable lending performance as well as the 2008 aggregate data (exclusive of St. Mary's Credit Union). In addition, the table also reflects the percentage of owner-occupied housing units in each of the census tract income categories.

| Distribution of Home Mortgage Loans by Income Category of the Census Tract | | | | | | | | |
|---|---|---|-------------|--------------|-------------|--------------|--------------|--------------|
| Census Tract | % Total Owner Occupied Housing Units | 2008 Aggregate Lending Data (% of #) | 2008 | | 2009 | | Total | |
| | | | # | % | # | % | # | % |
| Low | 1.0 | 1.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Moderate | 9.2 | 8.8 | 20 | 15.2 | 19 | 10.4 | 39 | 12.4 |
| Middle | 41.5 | 39.4 | 82 | 62.1 | 112 | 61.2 | 194 | 61.6 |
| Upper | 48.3 | 50.4 | 30 | 22.7 | 52 | 28.4 | 82 | 26.0 |
| Total | 100.0 | 100.0 | 132 | 100.0 | 183 | 100.0 | 315 | 100.0 |

Source: 2000 US Census, HMDA LAR, HMDA Aggregate Data

The Credit Union did not originate any residential mortgage loans in the one low-income census tract in its assessment area located in Framingham. This is reasonable as the tract is made up of only 1.0 percent owner-occupied housing units. The Credit Union originated 39 loans or 12.4 percent of its loans in moderate-income Census tracts for the period under review.

The geographic distribution of the Credit Union's loans by Census tract income may also be compared to that of all other HMDA reportable lenders in the assessment area for 2008. As shown above, there was no lending activity in the low-income tract. However, there is a low level of opportunity and, because of the relatively low level of overall lending, the difference between the Credit Union and the percentage of the aggregate is approximately 2 loans. Conversely, the percentage of lending activity in moderate-income tracts is well above the 2008 aggregate data and the percentage of owner occupied housing units. The Credit Union originated 15.2 percent of its loans within the moderate-income tracts while the aggregate originated 8.8 percent. Further the Credit Union ranked 9th in market share for lending in moderate-income census tracts. Again it should be noted that all the financial institutions that outranked the Credit Union were either large national banks or nationwide mortgage companies.

Based on the above information, the Credit Union's distribution of HMDA-reportable loans by Census tract income level reflects a reasonable dispersion of loans throughout the assessment area.

5. REVIEW OF COMPLAINTS AND FAIR LENDING POLICES AND PRACTICES

Based upon the review of the Credit Union's public comment file and its performance relative to fair lending policies and procedures, no violations of the anti-discrimination laws and regulations were identified.

The Credit Union's Fair Lending Policy was reviewed to determine how this information relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. A review of the Credit Union's public comment file indicated that the Credit Union received no complaints pertaining to the institution's CRA performance since the previous examination. The fair lending review was conducted in accordance with Federal Financial Institutions Examination Council (FFIEC) Interagency Fair Lending Examination Procedures. Based on these procedures, no evidence of disparate treatment was noted.

The Credit Union has a written Fair Lending Policy. Included in the policy are the Credit Union's efforts to eliminate discrimination in all aspects of lending, as well as to provide guidance to Credit Union employees on how to comply with fair lending policies and procedures. The Credit Union provides fair lending training under the direction of the Learning and Development Manager. All Credit Union employees are required to complete training and testing on an annual basis.

Staff members are also notified of regulatory changes and updates through memoranda.

The Credit Union's Marketing Department participates with lending staff to identify credit needs, develop credit products, and communicate credit product availability to numerous consumer segments throughout the assessment area.

The Credit Union utilizes a marketing customer information file to identify member demographics such as income, occupation and geographic residency to ensure that low- to moderate-income consumers are adequately serviced relative to their credit needs. This information is also used by the Credit Union's product development committee to identify market needs for new financial products/services including credit products.

The Credit Union's Marketing Department communicates the availability of credit products utilizing a variety of communication media such as newspaper advertisements, radio, direct mail, branch lobby brochures, periodic statement stuffers, website information, and community outreach presentations. The Credit Union advertises to its non-English speaking members in its service area through advertisements on Portugal '73, a radio program targeted to the non-English speaking Portuguese and Brazilian population, as well as in the local Hispanic telephone directory which is targeted at serving non-English speaking markets.

The Credit Union employs 122 employees of which 101 are full time and 21 are part time. Sixteen employees speak a second language. Employees are available to service members in the following languages: French, Portuguese, Spanish, Hindi, and Russian.

The Credit Union has a second review process for denied loan applications. Loans slated for denial are reviewed by a second lending officer as well as the Credit Committee prior to notifying the member.

MINORITY APPLICATION FLOW

The Credit Union's Loan Application Registers (LARs) maintained pursuant to HMDA for 2008 and 2009 were reviewed to determine if the application flow from the different racial groups within the Credit Union's assessment area was reflective of the area's demographics. The Credit Union's assessment area contains 226,276 individuals, 14.7 percent of whom are minorities. The assessment area's minority and ethnic population is .10 percent American Indian/Alaskan Native; 4.8 percent Asian; 2.2 percent African American; 5.2 percent Hispanic or Latino; and 2.4 percent other.

The Credit Union received 486 HMDA-reportable loan applications from within its assessment area in 2008 and 2009. Of these applications, 21 or 4.3 percent were received from minority applicants, of which 11 or 52.4 percent resulted in originations. The Credit Union also received 8 HMDA-reportable applications from applicants of Hispanic origin within its assessment area, of which 2 or 25 percent resulted in originations.

Refer to the following table for information on the Credit Union's minority application flow as well as a comparison of the aggregate lenders throughout the Credit Union's assessment area. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Credit Union received from minority applicants.

MINORITY APPLICATION FLOW

| | Aggregate Data 2008 | | Credit Union 2008 | | Credit Union 2009 | | Credit Union Total | |
|---------------------------------------|------------------------|--------------|----------------------|--------------|----------------------|--------------|-----------------------|--------------|
| | # | % | # | % | # | % | # | % |
| <i>American Indian/Alaskan Native</i> | 30 | 0.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| <i>Asian</i> | 779 | 6.4 | 4 | 2.0 | 9 | 3.1 | 13 | 2.7 |
| <i>Black or African American</i> | 171 | 1.4 | 2 | 1.1 | 0 | 0.0 | 2 | 0.4 |
| <i>Hawaiian/Pacific Islander</i> | 21 | 0.0 | 0 | 0.0 | 1 | 0.4 | 1 | 0.2 |
| <i>2 or More Minority Races</i> | 17 | 0.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| <i>Joint Race (White/Minority)</i> | 138 | 1.1 | 2 | 1.0 | 3 | 1.0 | 5 | 1.0 |
| Total Minority | 1,156 | 9.4 | 8 | 4.1 | 13 | 4.5 | 21 | 4.3 |
| <i>White</i> | 8,049 | 66.1 | 177 | 89.9 | 247 | 85.5 | 424 | 87.3 |
| <i>Race not Available</i> | 2,978 | 24.5 | 12 | 6.0 | 29 | 10.0 | 41 | 8.4 |
| Total | 12,183 | 100.0 | 197 | 100.0 | 289 | 100.0 | 486 | 100.0 |
| Ethnicity | | | | | | | | |
| <i>Hispanic or Latino</i> | 473 | 3.8 | 3 | 1.5 | 3 | 1.0 | 6 | 1.2 |
| <i>Not Hispanic or Latino</i> | 8,632 | 70.9 | 178 | 90.4 | 254 | 87.9 | 432 | 88.9 |
| <i>Joint (Hisp/Lat/Not Hisp/Lat)</i> | 112 | 0.9 | 0 | 0.0 | 2 | 0.7 | 2 | 0.4 |
| <i>Ethnicity Not Available</i> | 2,966 | 24.4 | 16 | 8.1 | 30 | 10.4 | 46 | 9.5 |
| Total | 12,183 | 100.0 | 197 | 100.0 | 289 | 100.0 | 486 | 100.0 |

Source: 2008/2009 HMDA LAR DATA / PCI Corporation CRA Wiz

The Credit Union did not meet the level of performance of the aggregate with regards to minority application flow. The Credit Union received a lower percentage of applications from both racial and ethnic minority applicants. The Credit Union also received fewer applications when compared to the racial composition of the assessment area.

COMMUNITY DEVELOPMENT TEST

St. Mary's Credit Union's community development performance demonstrates a good responsiveness to the community development needs of its assessment area. The Credit Union has met these community development needs through the provision of qualified grants and donations and community development services.

Qualified Investments

A qualified investment for the purposes of this CRA evaluation is a lawful deposit, donation or grant that has community development as its primary purpose.

For the period of May 11, 2007 through December 31, 2007, the Credit Union made qualified grants and donations that totaled \$56,450 (or 68% of total donations), during calendar year 2008 qualified donations totaled \$61,750 (or 49% of total donations). Further, for calendar year 2009, the Credit Union made qualified grants and donations totaling \$64,675 (or 50% of total donations) and for the period of January 1, 2010 through August 9, 2010 qualified grants and donations totaled \$39,837 or 55.4%. These qualified grants and donations went to organizations that promote education, youth programs, health and human services for individuals in need, and economic development throughout the assessment area. The following are examples of organizations that have received benefit from the Credit Union's efforts.

United Way: United Way is an organization whose main goal is to raise funds that support programs and services provided by local health and human service agencies. United Way can support families of all incomes. Funded agencies use their allocation to provide services for low- and moderate-income families primarily.

Boys & Girls Clubs of Metrowest: This organization provides social, educational, physical and cultural programs for boys and girls. In addition, the organization serves more than 3,200 children and youth each year and the Credit Union's support helps programs for lower income individuals in Framingham, Marlborough and Hudson.

Metrowest Legal Services: This organization provides legal advocacy to protect and advance the rights of the poor, elderly, disabled and other disenfranchised people. Due to the current economic environment the organization is inundated with families and individuals who are facing homelessness due to foreclosures or evictions resulting from landlords in default of their mortgages. There is also a need for assistance with bankruptcy and access to benefits and other legal problems arising from the current economic downturn.

BayPath Elder Services, Incorporated: This organization's mission is to promote and prolong independent living for at-risk elders and the disabled populations by providing help to manage their day-to-day finances through the dedication and support of its volunteers.

Consumer Credit Counseling Service: This organization offers financial counseling and education targeted to low to moderate-income consumers in the Marlborough and surrounding communities. Given the current economic difficulties the demand for these services has been unprecedented.

Marlborough Community Development Corporation: The organization strives to increase and preserve the affordable housing stock in the community, increase home ownership through owner occupancy in multi-family dwellings, aid in redevelopment and improvement of vacant buildings, lots and blight.

Marlborough Development and Financial Assistance Fund, LLC (formally Marlborough 2010): This organization was formed to foster economic development in the City of Marlborough, particularly targeted areas such as downtown, the Route 85 Corridor to Southborough and the French Hill neighborhood. Marlborough 2010 has requested that the Credit Union participate in its loan pool. Marlboro 2010 is soliciting commitments from local banks and credit unions to establish a \$1,000,000 loan pool. The Credit Union has committed to invest in 3 Preferred Units, totaling \$150,000, for the purpose of establishing the Marlborough 2010 Corporation.

Community Development Services

A community development service has community development as its primary purpose and is generally related to the provision of financial services or technical services or assistance.

United Way of Tri-County: This organization has raised funds in support of organizations within their 34 MetroWest communities. These funds have helped over one million people receive food, clothing, housing, domestic violence support, quality in-school and after-school programming, and many more services to survive and thrive. The Credit Union's CEO serves on the Board of Directors and is Second Vice Chair of this organization.

Marlborough Economic Development (formally Marlborough 2010 Project): This organization's priority is to develop new housing, and business development for the Downtown area which is designated as a moderate-income area. The Credit Union's Senior Vice President of Lending has taken a leadership role with the fundraising efforts and serves on the project's Loan Committee.

Bay Path Elder Services: This organization offers a Money Management Program that is designed to help elders and the at risk disabled population who, for a variety of reasons, are having difficulty managing their finances. This organization has developed a joint venture between the Executive Office of Elder Affairs, AARP and Legal Counsel for the Elderly. The Credit Union's Vice President of Marketing serves on the Advisory Board and the Executive assistant provides financial management and credit counseling services to this organization.

Metro South/West Regional Employment Board, Inc.: The mission of this organization is to cultivate partnerships that will increase young people's ability to succeed in today's highly competitive labor market by targeting in-school and out-of-school youth whose incomes do not exceed two hundred percent of the poverty level. The Credit Union's Senior Human Resources Generalist is a member of the Young Adult Board.

Marlborough Community Services: This organization, each school year, distributes school supplies and backpacks to help low-income families have the necessary school supplies to start off the school year. Several Credit Union employees assist with fundraising through in-kind donations.

Educational Seminars

The Credit Union sponsored or participated in 5 First Time Homebuyers Seminars during the examination period. Topics discussed included borrower qualifications, the pre-qualification process, private mortgage insurance, products offered, and the legal process. The Credit Union furnished mortgage application packages to all interested attendees. Two of these seminars were sponsored by the Marlborough Community Development Corporation.

The Credit Union participated in the MassHousing Opportunity Knocks program at the Solomon Pond Mall in Marlborough. This 2 day seminar included a representative from MassHousing along with Credit Union employees. The buying seminar included counseling and educating participants on home buying programs for low- and moderate-income families. A total of 240 individuals participated in these seminars.

The Credit Union sponsored 3 Auto Buying Seminars during the examination period. Credit Union members were advised on how to purchase a vehicle, from research through the actual purchase from the auto dealership. Some of the topics discussed were purchasing a vehicle versus leasing a vehicle and budgeting issues.

Reality Fair - The purpose of the fair is to teach young people how to manage money and finances within a simulated environment. Students learn the importance of budgeting for necessities and saving for luxuries as well as the importance of having money available for unexpected emergencies. Each year the Credit Union participates in two Reality Fairs for local high school students. In February of 2007, 2008, 2009 and 2010 the Credit Union participated in the Hudson High School event. In November of 2008 and 2009, the Credit Union participated in the Marlborough High School event.

Cemark Personal Financial Literacy Education - St. Mary's Credit Union offers local high school teachers a financial literacy program developed by Cemark, Inc. This program assists instructors how to teach young people about money, personal finance and budgeting. The Credit Union purchases and supplies guides and workbooks to participating teachers, as well as representatives from the Credit Union who visit the class to talk about banking and credit unions. In 2009, two members of the Credit Union's Hudson Branch participated in the program in Hudson High School.

Money Basics - On the Credit Union's website Online Education Center, Money Basics offers links to the following resources in support of developing financial literacy:

- Budgeting Basics (*[en Espanol](#)*)
- Building Wealth (*[en Espanol](#)*)
- Developing Your Spending Plan (*[en Espanol](#)*)
- Resisting the Urge to Splurge
- Tips for Cutting Expenses
- 66 Ways to Save Money (*[en Espanol](#)*)
- Budget Calculator - Easy step-by-step spending plan (*[en Espanol](#)*)

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 293 Boston Post Road West, Marlborough, MA 01752."
- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing.

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.